

1 AUSTIN P. NAGEL, ESQ.  
California State Bar #118247  
2 GRACE E. FELDMAN, ESQ.  
California State Bar #261936  
3 LAW OFFICES OF AUSTIN P. NAGEL  
4 111 Deerwood Road, Suite 388  
San Ramon, California 94583  
5 Telephone: (925) 855-8080  
6 Facsimile: (925) 855-8090

7 Attorneys for Secured Creditor,  
WELLS FARGO BANK, N.A.  
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9 UNITED STATES BANKRUPTCY COURT  
10 NORTHERN DISTRICT OF CALIFORNIA

11 In Re: Case No. 09-72118 RJN  
(Chapter 13 Proceeding)  
12

13 GARY S. KING and  
JANICE R. KING,  
14 Debtors.  
15 \_\_\_\_\_/

STIPULATION REGARDING POSITION  
OF SECURED CREDITOR, WELLS FARGO  
BANK, N.A., UNDER CHAPTER  
13 PROCEEDING  
\_\_\_\_\_

16 IT IS HEREBY STIPULATED AND AGREED TO between the parties hereto, by  
17 and through their respective counsel, as follows:

18 1. At the time the Debtors, GARY S. KING and JANICE R. KING (hereafter  
19 referred to as the "Debtors") filed the Chapter 13 Bankruptcy petition described above, the  
20 parties hereto agree that Secured Creditor, WELLS FARGO BANK, N.A. (hereinafter  
21 referred to as "Secured Creditor") was the holder and owner of a promissory note secured by  
22 a Second Deed of Trust on the real property located at 939 Woodland Drive in San Ramon,  
23 California (hereinafter referred to as the "Property"). In this regard, the amount due on  
24 owing on the aforementioned promissory note at the time the Debtors filed their bankruptcy  
25 petition was \$160,773.22 (hereafter referred to as the "full balance").  
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1           2.       On or about February 24, 2010, the Debtors, by and through their counsel  
2 filed a Motion to Value Security of Wells Fargo alleging therein that the value of the  
3 Property was less than that was owed on the first deed of trust duly recorded against the  
4 Property.  
5

6           3.       Secured Creditor timely objected to the Motion to Value Security of Wells  
7 Fargo filed by the Debtors and alleged that the value of the Property in fact exceeded the  
8 amount owed on the first deed of trust and therefore the Debtors were obligated to repay  
9 Secured Creditor the full amount owed on the promissory note secured by the second deed  
10 of trust.  
11

12           4.       In view of the dispute that has arisen between Debtors and Secured Creditor  
13 and the uncertainty and cost of litigation the parties hereto wish to amicably resolve the  
14 dispute in accordance with the terms set forth below.

15           5.       The parties hereto agree that Secured Creditor, for purposes of Debtors'  
16 Chapter 13 plan herein, shall be the holder and owner of a modified secured claim pursuant  
17 to its promissory note and second deed of trust in the sum of **\$58,000.00, WITH**  
18 **INTEREST THEREON ACCRUING AT THE RATE OF 4.00% PER ANNUM.**  
19

20           6.       The parties hereto agree that the aforementioned sum of \$58,000.00, plus  
21 interest shall be paid to Secured Creditor over one hundred eighty (180) months by making  
22 direct monthly installments of \$429.02 commencing on August 20, 2010 and ending on July  
23 20, 2025. However, in event the Debtors fail to pay-off the entire \$58,000.00 as provided for  
24 above, Secured Creditor shall be entitled to enforce the **full balance** of its lien as provided for  
25 pursuant to the underlying promissory note, less any credits for monies paid to Secured Creditor  
26 since the Debtors filed their bankruptcy petition.  
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1           7.     The parties hereto agree that the remaining balance of Secured Creditor's  
2 secured claim shall be paid as a general unsecured claim pursuant to Debtors' Chapter 13  
3 Plan.

4           8.     The parties hereto further agree that Debtors may pay the modified balance of  
5 \$58,000.00 at anytime without prepayment penalty.  
6

7           9.     The parties hereto agree that Secured Creditor shall, under the terms of the  
8 Stipulation, only release its secured interest in the Second Deed of Trust recorded against the  
9 Property upon payment of the sum of \$58,000.00 plus interest as provided for herein and the  
10 timely completion of Debtors' Chapter 13 Plan and Discharge. In addition to the foregoing, if  
11 the above referenced case is dismissed or converted without completion of the plan, such lien  
12 shall be retained by Secured Creditor in an amount based on the **full balance** of the underlying  
13 promissory note, less any credits for monies paid to Secured Creditor since the Debtors filed  
14 their bankruptcy petition.  
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16           10.    The parties hereto further agree that until such time as Debtors have provided  
17 Secured Creditor with payment in the sum of \$58,000.00 plus interest as provided for herein,  
18 Secured Creditor's Second Deed of Trust recorded against the Property shall remain in full  
19 force and effect and treated as otherwise provided for above and to the full extent recognized by  
20 applicable nonbankruptcy law.  
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22           11.    The parties hereto further agree that Secured Creditor's lien and Second Deed of  
23 Trust survive Debtors' Chapter 13 discharge as a long term debt.

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1           12. Debtors hereby agree to amend the Chapter 13 Plan and/or accompanying  
2 Schedules, as and if necessary, to ensure that the same conform with the terms set forth  
3 herein.

4 Dated: July 27, 2010

LAW OFFICES OF  
PATRICK L. FORTE

7 By /s/ Corrine Bielejeski  
Attorneys for Debtors,  
8 GARY S. KING and  
9 JANICE R. KING

10 Dated: July 29, 2010

LAW OFFICES OF  
AUSTIN P. NAGEL

13 By /s/ Austin P. Nagel  
Attorney for Secured Creditor,  
14 WELLS FARGO BANK, N.A.

15  
16 I, MARTHA G. BRONITSKY, Chapter 13 Trustee in the above-entitled action, hereby  
17 acknowledge that I have read the foregoing Stipulation and I have no opposition to the parties  
thereto entering into, or being bound by, such an agreement.

18 Dated: July 28, 2010

/s/ Martha G. Bronitsky  
19 MARTHA G. BRONITSKY,  
20 Chapter 13 Trustee

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